

**BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA**

**DOCKET NO. 2005-125-G**

In the Matter Of

Election of Piedmont Natural Gas  
Company, Inc. for Application of  
The Natural Gas Rate Stabilization  
Act to Its Rates and Charges

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**COMMENTS OF  
PIEDMONT NATURAL GAS  
COMPANY, INC.**

Piedmont Natural Gas Company, Inc. ("Piedmont"), pursuant to Section 58-5-455(4) of the S.C. Code of Laws, hereby submits the following written comments on the *Report of Office of Regulatory Staff Examination of Piedmont Natural Gas Company's Monitoring Report* ("ORS Audit") prepared and filed in this proceeding by the Office of Regulatory Staff ("ORS") on September 1, 2009.

Piedmont has carefully reviewed the September 1, 2009 ORS Audit and the proposed adjustments to Piedmont's June 15, 2009 Quarterly Monitoring Report contained therein and consistent with the Settlement Agreement filed in this docket on September 1, 2009, Piedmont hereby advises the Commission that Piedmont has no objection to or comments on the findings and adjustments reflected in the ORS Audit. Piedmont further confirms its agreement, as part of an overall settlement with the ORS, to implement rates beginning with the first billing cycle of November, 2009 based upon the ORS audit results and a return on equity of 11.2% in lieu of the existing approved rate of return on equity adopted in Piedmont's last general rate case.

Revised rates and charges incorporating the ORS Audit adjustments and reflecting a rate of return on equity of 11.2% are attached hereto as Exhibits A and B.

Respectfully submitted this 15th day of September, 2009.

**PIEDMONT NATURAL GAS COMPANY, INC.**

/s/ James H. Jeffries IV  
James H. Jeffries IV

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# **EXHIBIT A**

Piedmont Natural Gas Company, Inc.  
Quarterly Rate Stabilization Filing - Settlement Rates  
12-Months Ending March 31, 2009

### PROPOSED REVENUE CALCULATIONS

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Piedmont Natural Gas Company, Inc.  
Quarterly Rate Stabilization Filing - Settlement Rates  
12-Months Ending March 31, 2009

**PROPOSED REVENUE CALCULATIONS**

(dekatherms)	Proforma Bills	Proforma Dekatherms	Proposed Margin Rates	Proposed Demand Rates	Current Commodity Rate	Proposed Revenue Rate	Proposed Total Revenue
Rate Schedule	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Large General Service - Sales 203</b>							
Bills	132		\$ 250.00			\$ 250.00	\$33,000
Demand DTs	25,394		\$ 5.0000	\$ 14.0000		\$ 19.0000	\$482,486
First 1,500		69,857	\$ 1.8569	\$ 0.8633	\$ 6.6404	\$ 9.3606	\$653,903
Next 1,500		39,353	\$ 1.2998	\$ 0.7039	\$ 6.6404	\$ 8.6441	\$340,171
Next 7,500		24,586	\$ 0.9285	\$ 0.6810	\$ 6.6404	\$ 8.2499	\$202,832
Next 16,500		0	\$ 0.5571	\$ 0.2818	\$ 6.6404	\$ 7.4793	\$0
Next 33,000		0	\$ 0.1857	\$ 0.1000	\$ 6.6404	\$ 6.9261	\$0
<u>Over 60,000</u>		0	\$ -	\$ -	\$ 6.6404	\$ 6.6404	\$0
DTs - Winter		133,796					
First 1,500		87,217	\$ 1.1141	\$ 0.6718	\$ 6.6404	\$ 8.4263	\$734,917
Next 1,500		31,388	\$ 0.7428	\$ 0.5569	\$ 6.6404	\$ 7.9401	\$249,224
Next 7,500		8,874	\$ 0.5571	\$ 0.8220	\$ 6.6404	\$ 8.0195	\$71,165
Next 16,500		0	\$ 0.3714	\$ 0.2818	\$ 6.6404	\$ 7.2936	\$0
Next 33,000		0	\$ 0.1857	\$ 0.0500	\$ 6.6404	\$ 6.8761	\$0
<u>Over 60,000</u>		0	\$ -	\$ -	\$ 6.6404	\$ 6.6404	\$0
DTs - Summer		127,479					
<b>Large General Service - Transportation 213</b>							
Bills	458		\$ 250.00			\$ 250.00	\$114,500
Demand DTs		89,230	\$ 5.0000	\$ 1.0000		\$ 6.0000	\$535,380
Standby DTs		0	\$ -	\$ 13.0000		\$ 13.0000	\$0
First 1,500		254,457	\$ 1.8569	\$ 0.5514	\$0.1404	\$2.5487	\$648,535
Next 1,500		169,613	\$ 1.2998	\$ 0.4393	\$0.1404	\$1.8795	\$318,788
Next 7,500		151,730	\$ 0.9285	\$ 0.3467	\$0.1404	\$1.4156	\$214,789
Next 16,500		26,087	\$ 0.5571	\$ 0.2818	\$0.1404	\$0.9793	\$25,547
Next 33,000		0	\$ 0.1857	\$ 0.1000	\$0.1404	\$0.4261	\$0
<u>Over 60,000</u>		0	\$ -	\$ -	\$0.1404	\$0.1404	\$0
DTs - Winter		601,887					
First 1,500		350,044	\$ 1.1141	\$ 0.5862	\$0.1404	\$1.8407	\$644,326
Next 1,500		206,509	\$ 0.7428	\$ 0.4741	\$0.1404	\$1.3573	\$280,295
Next 7,500		148,074	\$ 0.5571	\$ 0.4006	\$0.1404	\$1.0981	\$162,600
Next 16,500		0	\$ 0.3714	\$ 0.2542	\$0.1404	\$0.7660	\$0
Next 33,000		0	\$ 0.1857	\$ 0.0500	\$0.1404	\$0.3761	\$0
<u>Over 60,000</u>		0	\$ -	\$ -	\$0.1404	\$0.1404	\$0
DTs - Summer		704,627					

**Piedmont Natural Gas Company, Inc.**  
**Quarterly Rate Stabilization Filing - Settlement Rates**  
**12-Months Ending March 31, 2009**

### PROPOSED REVENUE CALCULATIONS

(dekatherms)		Proforma	Proforma	Proposed		Current	Proposed	
		Bills	Dekatherms	Margin	Demand	Commodity	Revenue	Total
Rate Schedule				Rates	Rates	Rate	Rate	Revenue
		(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Interruptible Service - Sales 204</b>								
Bills		228		\$ 250.00			\$ 250.00	\$57,000
First 1,500			124,051	\$ 1.8569	\$ 1.6715	\$ 6.6404	\$10.1688	\$1,261,450
Next 1,500			72,418	\$ 1.2998	\$ 1.4743	\$ 6.6404	\$9.4145	\$681,779
Next 7,500			99,557	\$ 0.9285	\$ 1.3447	\$ 6.6404	\$8.9136	\$887,411
Next 16,500			21,074	\$ 0.5571	\$ 1.9514	\$ 6.6404	\$9.1489	\$192,804
Next 33,000			0	\$ 0.1857	\$ 1.0844	\$ 6.6404	\$7.9105	\$0
<u>Over 60,000</u>			0	\$ -	\$ 0.4000	\$ 6.6404	\$7.0404	\$0
DTs - Winter			317,100					
First 1,500			169,236	\$ 1.1141	\$ 0.8216	\$ 6.6404	\$8.5761	\$1,451,385
Next 1,500			102,806	\$ 0.7428	\$ 0.7049	\$ 6.6404	\$8.0881	\$831,505
Next 7,500			137,756	\$ 0.5571	\$ 0.6246	\$ 6.6404	\$7.8221	\$1,077,541
Next 16,500			51,171	\$ 0.3714	\$ 0.5506	\$ 6.6404	\$7.5624	\$386,976
Next 33,000			0	\$ 0.1857	\$ 0.2000	\$ 6.6404	\$7.0261	\$0
<u>Over 60,000</u>			0	\$ -	\$ 0.1000	\$ 6.6404	\$6.7404	\$0
DTs - Summer			460,969					
<b>Interruptible Service - Transportation 214</b>								
Bills		665		\$ 250.00			\$ 250.00	\$166,250
First 1,500			388,928	\$ 1.8569	\$ 0.5463	\$0.1404	\$ 2.5436	\$989,277
Next 1,500			311,132	\$ 1.2998	\$ 0.4329	\$0.1404	\$ 1.8731	\$582,781
Next 7,500			615,838	\$ 0.9285	\$ 0.3187	\$0.1404	\$ 1.3876	\$854,537
Next 16,500			231,908	\$ 0.5571	\$ 0.2080	\$0.1404	\$ 0.9055	\$209,993
Next 33,000			43,135	\$ 0.1857	\$ 0.1092	\$0.1404	\$ 0.4353	\$18,777
<u>Over 60,000</u>			0	\$ -	\$ -	\$0.1404	\$ 0.1404	\$0
DTs - Winter			1,590,941					
First 1,500			535,337	\$ 1.1141	\$ 0.5801	\$0.1404	\$ 1.8346	\$982,129
Next 1,500			404,482	\$ 0.7428	\$ 0.4591	\$0.1404	\$ 1.3423	\$542,936
Next 7,500			745,451	\$ 0.5571	\$ 0.3393	\$0.1404	\$ 1.0368	\$772,884
Next 16,500			243,469	\$ 0.3714	\$ 0.2189	\$0.1404	\$ 0.7307	\$177,903
Next 33,000			0	\$ 0.1857	\$ 0.2535	\$0.1404	\$ 0.5796	\$0
<u>Over 60,000</u>			0	\$ -	\$ -	\$0.1404	\$ 0.1404	\$0
DTs - Summer			1,928,739					
<b>Total Industrial</b>								<b>\$17,837,776</b>
<b>Outdoor Gaslight (Unmetered) - Rate 205</b>								
Fixtures		48		\$ 15.00			\$ 15.00	\$720
<b>Annual Revenues From Special Contracts \$4,097,215</b>								
<b>TOTAL ALL RATE SCHEDULES \$185,697,400</b>								

# **EXHIBIT B**

Piedmont Natural Gas Company, Inc.  
Quarterly Rate Stabilization Filing - Settlement Rates  
12-Months Ending March 31, 2009

**WNA Factors**

	<b>Base Rate (\$/therms)</b>	<b>Demand (\$/therms)</b>	<b>Commodity (\$/therm)</b>	<b>"R" Value (\$/therms)</b>	<b>Heat Factor (therms/DDD)</b>	<b>Base Factor (therms/mo.)</b>
<b><u>RESIDENTIAL</u></b>						
Value Rate - 201	1.09924	0.02272	0.66404	0.41248	0.17545	17.35593
Standard Rate - 221	1.31038	0.23386	0.66404	0.41248	0.14508	4.97306
<b><u>COMMERCIAL</u></b>						
Rate 202 - Standard	1.21203	0.21533	0.66404	0.33266	0.60024	7.95496
Rate 232 - Value						
First 2,000 therms	1.14790	0.15120	0.66404	0.33266	0.40961	374.35695
Over 2,000 therms	1.11581	0.11911	0.66404	0.33266	0.40961	374.35695
Rate 252 - Standard	1.18644	0.18974	0.66404	0.33266	22.11808	2398.86759
Rate 262 - Value						
first 5,000 therms	1.11258	0.11588	0.66404	0.33266	3.34841	7266.20992
over 5,000 therms	1.07602	0.07932	0.66404	0.33266	3.34841	7266.20992



## CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the attached *Comments of Piedmont Natural Gas Company, Inc.* is being served this date via email and UPS Overnight (5 copies) upon:

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And that a copy of the attached *Comments of Piedmont Natural Gas Company, Inc.* is being served this date via email and U.S. Mail upon:

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This the 15th day of September, 2009.

s/ James H. Jeffries IV  
James H. Jeffries IV